

# HAMPSHIRE COUNTY COUNCIL

## Decision Report

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| <b>Decision Maker:</b> | Executive Lead Member for Adult Social Care and Public Health            |
| <b>Date:</b>           | 19 September 2023                                                        |
| <b>Title:</b>          | Savings Programme to 2025 – Revenue Savings Proposals                    |
| <b>Report From:</b>    | Director of Adults' Health and Care and Director of Corporate Operations |

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### Purpose of this Report

1. The purpose of this report is to outline the detailed savings proposals for Adult Social Care and Public Health that have been developed as part of the Savings Programme to 2025 (SP2025) Programme.

### Recommendation(s)

2. To approve the submission of the proposed savings options contained in this report and Appendix 1 to the Cabinet.

### Executive Summary

3. This report outlines the detailed savings proposals for the Adults' Health and Care Directorate that have been developed as part of the Savings to 2025 (SP2025) Programme. The report also provides details of the Equality Impact Assessments (EIAs) that have been produced in respect of these proposals and highlights where applicable, any key issues arising from the public consultation exercise that was carried out over the summer and how these have impacted on the final proposals presented in this report.
4. The Executive Member is requested to approve the detailed savings proposals for submission to Cabinet in October and then full County Council in November, recognising that there would be further public consultation for some proposals.

## Contextual Information

5. In February 2023, Cabinet and Council were updated on the budget gap position and the early work undertaken by the Corporate Management Team to identify the available options to balance the budget to 2025/26. The Council expects to face a budget gap of at least £132m after taking account of annual Council tax increases at the maximum permitted level of 4.99% and additional grant funding expected to be provided by the government in 2024/25.
6. The early publication of a government policy paper on local authority funding for 2024/25 was welcomed. However, with 2024/25 representing the last year of the current parliament and spending review period, there remains considerable uncertainty as to the resources available to the Council from 2025/26 onwards. It is clear, however, that the landscape for the public finances remains challenging following the pandemic, considering current economic and geopolitical factors. Given the lack of any certainty from 2025/26, the County Council has had no choice but to assume that savings required to meet a gap of at least £132m will be required by April 2025, as we cannot take the risk of assuming further government financial support will be forthcoming. Furthermore, the financial constraints on the County Council mean that there will be no funding available to cash flow a savings programme beyond April 2025.
7. In recognition of the size of the financial challenge, coming after a decade of savings totalling £640m, directorates were not issued with 'straight line' savings targets as per previous savings programmes but were instead instructed to review what savings might be achievable if we were to move towards a 'bare minimum' provision of services. This approach aimed to maximise the potential for savings across the organisation whilst ensuring that the County Council can continue to target resources on the most vulnerable adults and children and deliver other vital core services.
8. The early work undertaken by directorates consisted of a detailed review of each budget line to understand where:
  - Further efficiencies could be achieved, for example due to changes to working practices following the pandemic or through changes to service management arrangements following the Fit for The Future organisational structure review.
  - Investment in new equipment or IT technology could enable us to deliver services differently.
  - Income generation could be increased through expanding the scope of existing sales, fees and charges or introducing new charges for some services.
  - Non-statutory or discretionary services could be scaled back or ceased.
9. Following the initial scoping exercise undertaken at directorate level, the savings options were subject to a detailed and robust scrutiny process, consisting of peer reviews within the Corporate Management Team and

scrutiny by Executive Members, the Leader and Deputy Leader. The review process aimed to ensure that:

- The available savings opportunities for each key service line have been maximised and directorates have considered how the implementation of savings can be accelerated where possible to maximise early delivery.
  - There is a shared understanding across directorates of any risks or dependencies linked to savings in other areas to eliminate any unintended consequences of savings delivery, for example possible cost and/or demand increases for other services.
  - The cumulative impacts of savings across all directorates on specific service user groups have been assessed and minimised as far as possible.
10. This detailed work has identified a total of £90.4m savings across all directorates, of which £75.0m are expected to be delivered by 2025/26, leaving an unmet budget gap of £57.0m in 2025/26. It is not surprising that this position has been reached given the £640m savings already removed from the budget since 2010. In the absence of any further government funding to 2025/26, the County Council will be reliant on reserves to temporarily bridge the budget gap pending fundamental reform to the funding system and legislative framework for local government. Additionally, a budget shortfall of £86m is currently expected for 2024/25 which will also need to be met from reserves.
11. A review of the County Council's reserve balances was undertaken at the end of the 2022/23 financial year and the results were reported to Cabinet and Full Council in July. The review identified most of the additional funding required to bridge the gap for 2024/25, albeit a small deficit of £2.4m still remains in addition to the significant shortfall of £57.0m in 2025/26. It is therefore not possible to continue with the County Council's usual financial approach of allowing directorates to retain any early achievement of savings for reinvestment in service delivery. All savings delivered in 2023/24 and 2024/25 will instead be transferred to the budget bridging reserve to help balance the budget in 2025/26.
12. As part of the County Council's Fit for The Future Programme, a series of detailed reviews of key functions which are common across all directorates will be undertaken with the aim of maximising consistency, efficiency and effectiveness in the following areas:
- how the County Council engages with its customers when they contact the County Council directly
  - how transformation and business support activity is defined and delivered
  - how senior management structures, roles and responsibilities align between Directorates
  - how the County Council provides core enabling services such as Finance, IT and HR; ensuring these are delivered from the centre of the organisation.

13. As well as delivering operational benefits for the County Council, these reviews are expected to help reduce costs through removing duplication, enabling more effective prioritisation of resources and improving retention of specialist skillsets. Whilst the financial benefits are expected to supplement the £90.4m savings identified by individual directorates, they will not be sufficient to meet the remaining budget gap to 2025/26.
14. As we seek to establish a long-term sustainable funding solution through on-going lobbying and discussions with central government, our options to meet the predicted annual budget shortfall (of at least £132m) by 2025 are limited. It is considered that there will be very few ways in which the County Council can continue to meet the legal duty to balance the budget without any impact on the residents of Hampshire. To help understand how people could be affected by the proposals being considered, the County Council undertook an open public consultation '*Making the most of your money*', which ran for six weeks between 12 June and 23 July. The consultation was widely promoted to residents and stakeholders, and asked for views on a range of high-level options that could help to address the shortfall, so that the County Council could take residents' needs in to account when considering the way forward.
15. The consultation provided an overview of the anticipated budget gap by 2025 and explained the range of options likely to be needed to enable the County Council to continue to deliver statutory service obligations.
16. The consultation feedback confirmed that a number of approaches are likely to still be needed to meet the scale of the financial challenge. Consequently, the County Council will seek to:
  - **continue with its financial strategy**, which includes:
    - **targeting resources** on the most vulnerable adults and children
    - **using reserves carefully** to help meet one-off demand pressures
  - **continue to lobby central government** for fundamental changes to the way local government is funded, as well as a number of other ways to help address the funding gap including increasing funding for growth in social care services and for highways maintenance, and allowing new charges to be levied for some services;
  - **help to minimise reductions and changes to local services** by raising council tax by 4.99% in line with the maximum level permitted by government without a public referendum;
  - **generate additional income** to help sustain services;
  - introduce and increase **charges** for some services;
  - consider further the opportunities for **changing local government arrangements** in Hampshire.
17. Executive Lead Members and Chief Officers have been provided with the key findings from the consultation to help in their consideration of the final savings proposals for this report, and a summary of these is provided at Appendix 3. Responses to the consultation will similarly help to inform the decision making by Cabinet and Full Council in October and November of 2023 on options for

delivering a balanced budget up to 2025/26, which the Authority is required by law to do.

18. In addition, Equality Impact Assessments have also been produced for each savings proposal, and these together with the broad outcomes of the consultation and the development work on the overall SP2025 Programme have helped to inform and shape the final proposals presented for approval in this report.

### **Savings Programme to 2025 – Directorate Context/Approach**

19. The SP2025 proposed budget reduction of £47.9m (or 9.1%) represents a significant challenge for a directorate combining Adult Social Care and Public Health. The Directorate's cumulative budget reduction since 2010/11 will be £331m on completion of SP2023. The scale of this reduction also needs to be seen within the context of the County Council's wider budgetary position, outlined above. The continued and increasing demand and cost pressures alongside the financial challenges being experienced by NHS organisations which have a direct bearing on social care pressures, increasing expectations and greater levels of regulation especially linked to quality. Additionally, new assurance and guidance mechanisms are currently being introduced by the Department of Health and Social Care and the Care Quality Commission (CQC) which could lead to local authorities who are judged to be failing to meet essential Care Act 2014 responsibilities becoming subject to a new, formal intervention framework.
20. The SP2025 savings programme would challenge the Directorate like never before (see following sections) and it is inevitable that there would be impacts on front-line services. That said, the programme would be taken forward carefully and sensitively in-line with statutory responsibilities. We would look to build on past performance that has resulted in positive service transformation and innovation (including multi-million pound investment in Technology Enabled Care, modern Extra Care housing and Supported Living) alongside further efficiencies and service reductions. Additionally, the strengths-based way of operating that the Directorate has been increasingly working to over the last decade continues to improve service user independence and in turn has helped to limit the cost of paid for care packages.
21. Since Public Health became part of local government's responsibilities in 2013, spend on public health has been met in full by a ring-fenced grant provided by the government. At the present time, the ring fence for the Public Health grant remains intact and there is no indication that this will be removed in the near future. There are therefore no proposed savings for the SP2025 from the Public Health budget.
22. The current reductions required of the HCC Care (in-house) service for Savings Programme to 2023 (SP2023) are still in the process of being implemented and require significantly higher levels of workforce efficiencies than ever before. To exceed this level of efficiency within such a highly regulated service is not considered achievable, particularly with a major overhaul of the estate (HCC Care Capital programme) currently underway

and subject to public consultation later this year. Additionally, there are much higher levels of acuity in clients being seen in the service, creating a greater burden on the service and workforce. For these reasons, no SP2025 savings are being sought from the HCC Care service.

23. Six potential issues in particular are impacting on the size of the £47.9m challenge for the Directorate or could add to it. These potential issues include:
- service demand and complexity levels (also includes higher service prices);
  - continued elements of non-recurrent government grant support;
  - the future availability of additional funding for Social Care;
  - the concurrent running of three large-scale savings programmes alongside 'business as usual' and demand pressures;
  - the challenge of forecasting the long-term impact and legacy of Covid-19;
  - the continued uncertainty regarding future funding for the service.
24. We have continued to see, post pandemic, demand for care increase at accelerating rates and all signs indicate that this will continue in the medium to longer term. This includes the growth in the numbers of adults with eligible care needs, an increase in the number of vulnerable/frail older people (particularly those aged 85 or above, whose population in Hampshire is expected to increase by 18% between 2023 and 2028), growing complexity of care needs e.g. the increasing prevalence of multiple conditions including higher levels of dementia, and sustained increases in the numbers and costs associated with supporting children with disabilities and complex needs transitioning to adulthood. Other factors such as regulation, the hospital discharge guidance and the national living wage are also impacting on direct provision and the independent sector in terms of increasing inflationary pressures. These pressures are not unique to Hampshire and are representative of the position nationally.
25. To help address the range of strategic Social Care financial challenges being faced, the Government has, in recent years, made available both additional recurrent and non-recurrent funding to local authorities for Adult Social Care. However, in respect of Hampshire these recent increases in funding are significantly lower than the combined impact of inflationary pressures, care demand increases and overall reductions in County Council funding. Accordingly, whilst the County Council has had little choice but to use a major element of this funding to offset the financial impact of baseline reductions there has remained the need to deliver real cost reductions against the backdrop of increasing demand. This will be no different as progress is made towards 2025. That said, these grants have helped to provide some short-term room financially to undertake transformational programmes that support the aim to reduce the cost exposure in the long term.
26. Although there was a Finance Policy statement setting out the principles for 2024/25 to assist with planning there has again only been a single year

financial settlement for Local Authorities. There continues to be uncertainty in the medium to long term and there remains a risk that during the timeframe of the SP2025 programme the Directorate would face the challenge of further losses in funding whilst delivering £47.9m of savings.

27. At the time of writing, the Adult Social Care Reforms remain postponed until October 2025. However, with a general election likely in the intervening period it is unclear whether the proposals as originally laid out will come to fruition by October 2025 and as such it remains uncertain as to what financial impact this would have, or for Hampshire, if it would impact during the timeframe for SP2025 delivery. The uncertainty is making it very difficult for local authorities to forward plan financially with any degree of clarity for Adult Social Care.
28. In addition to the above, the Directorate is concerned that a risk exists of a return to previous service pressure trends. Furthermore, it is currently unknown what additional impact Covid-19 will have in the longer term on the viability of the sector where it could further affect rates of home closures and exacerbate workforce challenges both of which would have a direct consequence on the rates paid for care by the County Council. If these market issues are exacerbated by the longer-term impact of Covid-19 it would put a greater risk on the transformational savings.
29. It is anticipated, within the Medium Term Financial Strategy (MTFS) that local authorities will retain the ability to raise a minimum of an additional 2% Council Tax under a specific precept for Adult Social Care beyond 2023/24. Any material deviation from this assumed position would adversely affect the County Council's financial forecasts. As highlighted previously a single year spending review represents a key risk within the SP2025 proposals.
30. Whilst the Directorate is planning for the SP2025 savings described in this report it is concurrently in the midst of delivering the final two years of Tt2021 savings, and final year of SP2023. As of July 2023, over £36.9m of the £38.3m Tt2021 target had been achieved leaving £1.4m still to secure. At the same point in time, there remains £5.8m of SP2023 savings still to secure. The remaining £7.2m combined represents the most difficult element to achieve as this mainly relates to reducing expenditure on care packages against a backdrop of increasing demand and cost pressures as highlighted. As many of the SP2025 savings are an extension upon the Tt2021 and SP2023 work programmes the Directorate faces a very challenging forward period and is reflected by the savings profile for SP2025 where over £13.2m of the savings are not forecast to be delivered until 2026/27. We forecast that by the end of the current financial year a further £2.7m of Tt2021 and SP2023 savings will be achieved leaving £4.5m to be delivered from the SP2023 programme during 2024/25 and 2025/26.
31. Although there are many significant risks, both in the short to medium and long term, as highlighted above, the Directorate is confident from the information currently held that during the timeframe to 2026/27 the savings can be achieved, and the currently forecast pressures managed. However, any deviation from the current forecast will require a further draw from reserves. It should not go unnoticed that this is a highly volatile area of

Council spend that can be significantly impacted by both changes in demand / complexity of clients and funding available, both of which are very challenging to predict the financial impact of alongside record levels of inflation.

32. The annual ADASS Spring Survey report, published earlier this year, identifies the critical funding challenges being faced by all local authorities, both in-year and in the near future, in the provision of adult social care. The national view is representative of the challenges that are being felt in Hampshire. Currently assumptions regarding the impact of the postponed Social Care Reforms (or alternative) have not been built into the savings programme therefore there may, as a result, be both further opportunities and significant challenges that the Directorate may face over the SP2025 timeframe. There have been recent announcements of one-off funding to support an element of social care workforce pressures over the remainder of 2023/24, however these amounts will merely provide the required funding HCC have already identified is needed to maintain social care sector resilience through what will undeniably be a very challenging autumn and winter period.

## **Savings Proposals**

### **Younger Adults**

33. The biggest block of the Adults' Health and Care savings proposals, some £28.7m, would come from **Younger Adults** services as the Directorate looks to continue the successful journey started ahead of Tt2017 and built upon throughout Tt2019, Tt2021 and SP2023 to embed a strengths-based approach and move increasingly away from institutional, long-term care settings, instead supporting people into more flexible and modern ways of living that provide much greater independence for service users with learning disabilities, physical disabilities and/or mental health needs. This would include:
  - a further increase in the use of supported living accommodation to move people on from higher-cost residential care, enabling greater independence and tenancy rights for individuals;
  - creating new in-house (HCC Care) services to provide more long-term support for people with learning disabilities, as an alternative to independent sector provision;
  - reviewing support provided to people with learning disabilities who are in employment;
  - further enabling people to do more for themselves, including greater adoption of Technology Enabled Care, and developing opportunities for people to find a greater level of support from within their local communities and through volunteer schemes;
  - review of transition strategies (Special Educational Needs, Care Leavers and Children's Services) to further manage family expectations promoting independence;



- extension of current work on reducing challenging behaviour (Least Restrictive Practice) which would lead to reduced support costs;
- using technology in residential and supported living accommodation with particular focus on night support;
- seeking alternative, more efficient methods of delivery to the current provision of transport;
- working more closely with the NHS to review mental health Section 117 responsibilities;
- reviewing the use of wellbeing centres and exploring alternative funding options;
- reviewing the service's workforce requirements.

### **Older Adults**

34. The next biggest area for savings proposals covers £14.1m, which relates to **Older Adults** as the Directorate looks to further transform its services for older people. There will be a continued focus on strengths-based solutions, intermediate care and reablement to improve the health and wellbeing of residents so that increasing numbers can remain in their own homes, living as independently as possible, with increased wellbeing. This approach aims to see lower or reduced needs following a short-term intervention, enabling, wherever possible, people to return home with appropriately sized care packages as opposed to being transferred to residential and nursing care provision at current levels of demand. This would include:

- maximising Discharge to Assess arrangements from hospital stay, increasing the availability of step up options from the community including increased use of HCC Care settings, and working with the provider market as part of a refreshed Residential and Nursing strategy;
- extending strengths-based outcomes to reduce demand for domiciliary care and ensure individuals' needs are met by other means where appropriate, including timely review and right-sizing of care packages following hospital admission to maximise independence, working with providers to encourage greater focus on short-term support, as well as increased use of Technology Enabled Care;
- reviewing workforce requirements within the Reablement service.

### **Headquarters Services**

35. The third block of savings proposals covers £5.0m and relates to further efficiencies and income delivered within **Headquarters Services**. Proposed savings include:

- reviewing the infrastructure grant held by the Demand Management and Prevention Change Unit which supports voluntary services across

Hampshire with infrastructure and running costs, and reviewing the remaining grants budget;

- ceasing Adult Social Care spend on the following services that are non-statutory for the County Council: 1) Independent Sexual Violence Advocacy and Rape and Sexual Abuse Counselling services, and 2) Social Inclusion (Homelessness Support Services) for which HCC holds the contracts. There will also be a comprehensive spend review and analysis of all other 3<sup>rd</sup> party spend and contract arrangements across the Directorate to identify opportunities to consolidate, reduce, or remove spend.
- generating greater income through expanding services provided to individuals who pay for Technology Enabled Care, reviewing fees for brokering care and administering payments for people who fully fund their own care, and expanding Learning and Development sold services;
- considering, when assessing an individual's income, increasing the amount taken into account for care charges from 95% to 100% of an individual's assessable income, as permissible within the Care Act 2014;
- utilising the Better Care Fund to work more effectively with District and Borough councils to deliver Disabled Facilities Grants (DFGs) in an equitable and economical way through the best use and recycling of existing equipment to residents;
- ensuring that commissioning and brokerage support for the procurement and ongoing management services provided to the NHS is appropriately recompensed;
- increasing the use of digital automation opportunities for efficiencies;
- aligning prevention activities and digital tools across Adult Social Care, Children's Services, Public Health the NHS and the Voluntary Sector to create a more streamlined service for the public;
- other efficiencies including reduction of some vacant staff posts and reviewing staff expenses.

### **Governance and Assurance**

36. The final savings area, £0.1m, is within the Governance and Assurance function. This amount mostly relates to staffing budget efficiencies, the detail of which will be finalised following a review of the operating model. A further minor saving is proposed through reviewing administrative funding for the Hampshire Personalisation Expert Panel (PEP).

## Key Challenges/Risks

37. In Adults' Health and Care, as in other directorates, solutions are already identified for many of the challenges we face. Managing service demand, whilst appropriately meeting eligible needs (against the backdrop of a reducing budget) is highest among these but is becoming increasingly challenging. Within the last eighteen months, despite efforts to manage costs we have seen significant increases in volumes of care and client complexity across all client groups and all care types. However, these volume increases have very much been overshadowed by the relentless increases in prices paid to providers for care over the same timeframe. Whilst this has to date remained broadly manageable, with additional Corporate support, the duration of high inflation and workforce challenges in the sector is difficult to predict and so therefore is the financial impact. There is a real risk that not only permanent changes in the market will adversely affect the budget but also the legacy of increased financial hardship and unemployment caused by the cost of living crisis. We could see increased levels of deprivation that impacts the health and wellbeing of the Hampshire population, resulting in further strain on social care. Improved access to insight and analytics will support our approach to tackling these significant challenges, however the risks cannot be underestimated.
38. People with lifelong disabilities and chronic health conditions are living longer. Whilst there are constant developments meaning people are able to live more independently, many do require some level of support for periods of their lives, and in some cases for the whole of their lives. Budget reductions within Younger Adults in particular are therefore likely to impact on largely the same individuals as in previous years. The challenging business as usual and operating environment across all services, concurrent with managing delivery of three large savings programmes alongside other strategic change (for example CareDirector, our new social care record system due to be implemented in November 2023) is substantial and no services within the directorate are excluded from this. We recognise that social care budgets for both Adults and Children's are under extreme pressure and thus recognise the inescapable risk that there could be a resultant negative impact upon other services of the County Council.
39. Whilst the proposed savings would be positively pursued, there remain other significant risks. It is recognised that difficult service decisions/changes would need to be made across the programme to achieve the decreased Directorate expenditure. There is a risk that a reduction in the Directorate's service offer may reduce, or may be perceived to reduce, client choice. The Directorate is mindful of its legal duties and is clear that eligible needs will be met in the most cost-effective way. The Directorate would also continue to closely monitor the actions of other local authorities and legal judgements. The impact of decisions on service users would continue to be carefully considered and mitigated where possible. It should be noted that adult social care case law turns upon circumstances in individual cases and as such some areas of risk are by their nature less predictable.

40. Progress and success would require a very thoughtful and careful engagement approach across a myriad of different but important stakeholders. Most important would be the way the Directorate works with people and their representatives, family and friends who use services, as well as NHS partners (through the continued development of Integrated Care System arrangements). Positive engagement will enable more co-produced solutions to be secured and we would continue to build upon Hampshire County Council's leading approach to co-production. This should result in greater levels of independence and/or local support that in turn would help to reduce paid for service costs. Success would be very much dependent on how we continue to change the culture of staff, how we create the optimum working conditions for all staff (including improved productivity linked to digital opportunities) and how we continue the journey of re-setting expectations that the public understands, accepts and agrees to.
41. System-wide challenges, exacerbated in recent years by Covid-19, are ever-present including integration, Continuing Health Care and dependency on Government/NHS funding for Hospital Discharge and general financial challenges faced by our local Integrated Care Boards, (ICBs). There is much ongoing work with our NHS partners at acute hospital, community provider and ICBs level to find new and improved ways of working together, including 'making the money work'. The Directorate will continue to take forward integration opportunities where they can add most value and improve and simplify existing joint working – taking out cost alongside improving the service user experience. It is recognised that there will continue to be external scrutiny on discharge performance and how the County Council uses the Better Care Fund (and any other future sources of funding support) to protect and enhance social care provision across Hampshire.
42. Lastly, but by no means least, are the risks relating to our workforce. The cumulative impact of successive large-scale budget reductions on all Adults' Health and Care services, including the frontline, is considerable and will continue to intensify alongside the growing difficulty to recruit and retain staff across the sector, an issue compounded by legacy impacts of Covid-19 and the current cost of living crisis. The Directorate will continue to seek to deliver improved and more efficient ways of working, but the scale of the culture/practice change that would be required in addition to managing business as usual pressures could impact further on the wellbeing and resilience of staff notwithstanding the support measures that have been put in place. Linked to this, the Directorate's capacity to maintain and improve service quality, levels of safeguarding and clinical safety will be increasingly challenged. Our relationship with the care sector, and in particular Hampshire Care Association – the care sector representative body in the county – remains positive, yet the sector as a whole remains vulnerable over the coming period and will require critical support and, to a degree, continued nurturing.

## Summary Financial Implications

43. The total value of the proposed savings opportunities identified for the Directorate is £47.9m. The expected cashflow profile for implementation of the savings is set out in the table below.

| <b>2024/25</b> | <b>2025/26</b> | <b>Full Year Impact</b> |
|----------------|----------------|-------------------------|
| <b>£'000</b>   | <b>£'000</b>   | <b>£'000</b>            |
| 7,683          | 34,650         | 47,900                  |

44. Of the £47.9m total proposed savings, £1.6m would be achieved through additional income generation by expanding the scope of existing fees and charges or introducing new fees and charges, and £46.3m would be achieved through reductions to expenditure budgets as a result of service efficiencies and reductions.
45. The forecast saving profile, as set out within the table contained in paragraph 43 above, would lead to the Directorate requiring additional cashflow support of £8.5m in 2025/26. This assumes partial cash flow funding from the Directorate cost of change reserve, however, it is unlikely, after existing expenditure commitments and current forecasts for late delivery of prior saving programmes that the Directorate cost of change would also have sufficient resources for SP2025 late delivery without additional corporate support.
46. The detailed savings proposals that are being put forward by the Directorate are contained in Appendix 1.

## Workforce Implications

47. Appendix 1 also provides information on the estimated number of reductions in staffing as a result of implementing the proposals.
48. Of the 42 Full Time Equivalent (FTE) posts that may be affected, effort would be made to achieve all these reductions through natural turnover within the relevant services – however, this may not be possible in every case. Further details will be known following a detailed review of each service impacted.
49. The County Council's approach to managing down staff levels in a planned and sensitive way using managed recruitment, redeployment of staff where possible and voluntary redundancy where appropriate would be continued.

## Climate Implications

50. Hampshire County Council utilises two decision-making tools to assess the carbon emissions and resilience of its projects and decisions. These tools provide a clear, robust, and transparent way of assessing how projects, policies and initiatives contribute towards the County Council's climate change targets of being carbon neutral and resilient to the impacts of a 2°C

temperature rise by 2050. This process ensures that climate change considerations are built into everything the Authority does.

51. Given that this report deals with savings proposals it is difficult to assess any specific climate change impacts at this stage, but assessments would be undertaken for individual proposals, if appropriate as part of the implementation process.

### **Consultation, Decision Making and Equality Impact Assessments**

52. As part of its prudent financial strategy, the County Council has been planning since March 2022 how it might tackle the anticipated deficit in its budget by 2025/26. As part of the MTFs, which was last approved by the County Council in September 2022 and updated as part of the budget setting process for 2023/24, initial assumptions have been made about inflation, pressures, council tax levels and the use of reserves. Total anticipated savings of £132m are required and directorates were tasked with reviewing all possible opportunities to contribute to bridging this gap.
53. The County Council undertook an open public consultation '*Making the most of your money*' which ran for six weeks from 12 June to 23 July 2023. The consultation was promoted to residents and stakeholders, and asked for views on a range of high-level options that could help to address the shortfall, so that the County Council could take residents' needs into account when considering the way forward.
54. The consultation explained that given the considerable size of the budget gap by 2025, it was likely a combination of the potential options being considered would be needed, given the limited ability the County Council has to generate income and the need to continue to deliver statutory service obligations. For example, the supporting Information Pack explained that the £132m budget forecast took into account an assumed increase in council tax of 4.99% (of which 2% must be spent on Adult social care services), and illustrated the amount of savings that would still be required even if council tax was increased by up to 10%. The Pack also explained that if central government were to support a change to the structure of local government in Hampshire, it would still take several years to fully realise any savings. Residents were similarly made aware that the use of the County Council's reserves (which are retained for service investment and to help manage financial risk) would not provide a sustainable solution to address ongoing financial pressures. The Pack further explained that if these were used to meet service delivery these would be used up very quickly, and so only temporarily delaying the point at which other savings would need to be found.
55. Executive Lead Members and Chief Officers have been provided with the key findings from the consultation to help in their consideration of the final savings proposals. As the consultation feedback confirms, a number of different approaches are likely to be needed to meet the scale of the financial challenge. Consequently, the County Council will seek to:
  - **continue with its financial strategy**, which includes:
    - **targeting resources** on the most vulnerable adults and children

- **using reserves carefully** to help meet one-off demand pressures
  - **continue to lobby central government** for fundamental changes to the way local government is funded, as well as a number of other ways to help address the funding gap including increasing funding for growth in social care services and for highways maintenance, and allowing new charges to be levied for some services;
  - **help to minimise reductions and changes to local services** by raising council tax by 4.99% in line with the maximum level permitted by government without a public referendum;
  - **generate additional income** to help sustain services;
  - introduce and increase charges for some services;
  - consider further the opportunities for **changing local government arrangements** in Hampshire.
56. Individual Executive Members cannot make decisions on strategic issues such as council tax levels and use of reserves and therefore, these proposals, together with the outcomes of the *Making the most of your money* consultation exercise outlined in appendix 3, will go forward to Cabinet and County Council and will be considered in light of all the options that are available to balance the budget by 2025/26.
57. The proposals set out in Appendix 1 represent suggested ways in which directorate savings could be generated to maximise the contribution to the SP2025 Programme and have, wherever possible, been developed in line with the principles set out above. For example, the Directorate is seeking to maximise income from external partners to reflect the additional costs incurred in providing services, and looking to maximise the income allowed for care services to ensure there is equity for all clients.
58. Following the Executive Member Decision Days, all final savings proposals will go on to be considered by the Cabinet and Full Council in October and November – providing further opportunity for the overall options for balancing the budget to be considered as a whole and in view of the consultation findings. Further to ratification by Cabinet and Full Council, some proposals may be subject to further, more detailed consultation.
59. In addition to the consultation exercise, Equality Impact Assessments (EIAs) have been produced for each of the savings proposals outlined in Appendix 1 and these have been provided for information in Appendix 2. These will be considered further and alongside a cumulative EIA by Cabinet and Full Council. The cumulative assessment provides an opportunity to consider the multiple impacts across proposals as a whole and, therefore, identify any potential areas of multiple disadvantage where mitigating action(s) may be needed.
60. Together the *Making the most of your money* consultation and Equality Impact Assessments have helped to shape the final proposals presented for approval in this report.

**REQUIRED CORPORATE AND LEGAL INFORMATION:**

**Links to the Strategic Plan**

|                                                                            |     |
|----------------------------------------------------------------------------|-----|
| Hampshire maintains strong and sustainable economic growth and prosperity: | Yes |
| People in Hampshire live safe, healthy and independent lives:              | Yes |
| People in Hampshire enjoy a rich and diverse environment:                  | Yes |
| People in Hampshire enjoy being part of strong, inclusive communities:     | Yes |

**Other Significant Links**

| <b>Links to previous Member decisions:</b>                                                                                                 |                                                              |
|--------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------|
| <u>Title</u>                                                                                                                               | <u>Date</u>                                                  |
| Developing a Medium Term Financial Strategy<br><a href="https://www.hants.gov.uk">Template County Council Part I report (hants.gov.uk)</a> | Cabinet - 19 July 2022<br>County Council – 29 September 2022 |
| <b>Direct links to specific legislation or Government Directives</b>                                                                       |                                                              |
| <u>Title</u>                                                                                                                               | <u>Date</u>                                                  |
|                                                                                                                                            |                                                              |

**Section 100 D - Local Government Act 1972 - background documents**

The following documents discuss facts or matters on which this report, or an important part of it, is based and have been relied upon to a material extent in the preparation of this report. (NB: the list excludes published works and any documents which disclose exempt or confidential information as defined in the Act.)

| <u>Document</u> | <u>Location</u> |
|-----------------|-----------------|
| None            |                 |



## **EQUALITIES IMPACT ASSESSMENT:**

### **1. Equality Duty**

The County Council has a duty under Section 149 of the Equality Act 2010 ('the Act') to have due regard in the exercise of its functions to the need to:

- Eliminate discrimination, harassment and victimisation and any other conduct prohibited by or under the Act with regard to the protected characteristics as set out in section 4 of the Act (age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation);
- Advance equality of opportunity between persons who share a relevant protected characteristic within section 149(7) of the Act (age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex and sexual orientation) and those who do not share it;
- Foster good relations between persons who share a relevant protected characteristic within section 149(7) of the Act (see above) and persons who do not share it.

Due regard in this context involves having due regard in particular to:

- The need to remove or minimise disadvantages suffered by persons sharing a relevant protected characteristic that are connected to that characteristic;
- Take steps to meet the needs of persons sharing a relevant protected characteristic that are different from the needs of persons who do not share it;
- Encourage persons sharing a relevant protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low.

### **2. Equalities Impact Assessment:**

A full Equalities Impact Assessment has been undertaken for each of the savings options and these are included as a separate appendix to this report (Appendix 2).

**Adults' Health and Care – Proposed Savings Options (Subject to consultation where appropriate)**

| Ref.    | Service Area and Description of Proposal                                                                                                                                     | Impact of Proposal                                                                                                                                                                                                                                                                                                                                             | 2024/25 | 2025/26 | Full Year Impact | Estimated Staffing Impact |
|---------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------|---------|------------------|---------------------------|
|         |                                                                                                                                                                              |                                                                                                                                                                                                                                                                                                                                                                | £'000   | £'000   | £'000            | FTE                       |
| GA-25-B | <b>Governance &amp; Assurance –</b><br>Cease external administrative support and seek to identify alternative funding, for the Hampshire Personalisation Expert Panel (PEP). | The PEP comprises a range of Experts by Experience who facilitate the involvement of residents in the development and improvement of Adults' Health and Care Services. This proposal would see a reduction in the administrative and associated costs in running PEP, the majority of historic running costs now reduced through on-line meeting arrangements. | 0       | 16      | 16               | 0                         |
| GA-23-C | <b>Governance &amp; Assurance -</b><br>Revise the operating model for the Care Governance and Quality Assurance function.                                                    | Reduction of the capacity and ability to oversee the quality of Adults' Health and Care services and provide robust care governance and quality assurance, including continuous improvement. Effort would be made to manage staffing impacts through natural turnover – however, this may not be possible in every case.                                       | 0       | 100     | 100              | 3                         |
| HQ-25-A | <b>HQ -</b> Various minor savings from the HQ Services budgets through reviewing 3rd party spend and staff expenses budget lines, where efficiencies have been identified.   | The savings proposals do not have any impacts on the HQ resourcing and customer service levels.                                                                                                                                                                                                                                                                | 161     | 256     | 256              | 0                         |
| HQ-25-B | <b>HQ –</b> It is proposed to cease Adult Social Care spend on the following services that are non-statutory for the County Council:                                         | Removal of Adult Social Care funding for ISVA and RASAC could result in a 6% reduction in the contract value for ISVA and a 10% reduction in value for RASAC. This                                                                                                                                                                                             | 0       | 2,092   | 2,092            | 0                         |

| Ref.    | Service Area and Description of Proposal                                                                                                                                                                                                                                                                                                                                                                                         | Impact of Proposal                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | 2024/25<br>£'000 | 2025/26<br>£'000 | Full Year Impact<br>£'000 | Estimated Staffing Impact<br>FTE |
|---------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------|------------------|---------------------------|----------------------------------|
|         | <p>1) Independent Sexual Violence Advocacy (ISVA) and Rape And Sexual Abuse Counselling (RASAC) services.</p> <p>2) Social Inclusion (Homelessness Support Services) for which HCC holds the contracts.</p> <p>There will also be a comprehensive spend review and analysis of all other 3rd party spend and contract arrangements across the Directorate to identify opportunities to consolidate, reduce, or remove spend.</p> | <p>may result in an increase in waiting times for services.</p> <p>Removal of Social Inclusion discretionary spending could result in increased financial pressure on Housing Authorities to meet statutory homeless duties and may result in the closure of homeless hostels if alternative funding is not secured.</p> <p>The County Council would need to find alternative ways to meet the care and support needs of the people who use these services and have assessed eligible needs under the Care Act 2014.</p> |                  |                  |                           |                                  |
| HQ-25-C | <p><b>HQ</b> - Review the infrastructure grant held by the Demand Management &amp; Prevention Change Unit (DMPCU) which supports voluntary services across Hampshire with infrastructure and running costs. In addition review the remaining grants budget.</p>                                                                                                                                                                  | <p>Any reduction in funding could result in a need to identify alternative, external funding support for the Voluntary Community Social Enterprise (VCSE) sector. May result in reduced VCSE activity.</p>                                                                                                                                                                                                                                                                                                               | 0                | 620              | 620                       | 0                                |
| HQ-25-D | <p><b>HQ</b> - Review the Directorate utilising the Better Care Fund (BCF) to contribute towards HCC costs to delivering Disabled Facilities Grants (DFGs) in an equitable and economical way through the best use and recycling of existing equipment to residents.</p>                                                                                                                                                         | <p>Agreement by key stakeholders to better utilise some DFG spend for the reuse of community equipment (stairlifts, hoists and other home adaptations) to deliver service efficiencies, cost savings and achieve better outcomes for residents as more people can be supported to remain living independently at home.</p>                                                                                                                                                                                               | 0                | 920              | 920                       | 0                                |

| Ref.    | Service Area and Description of Proposal                                                                                                                                                                                                                                                                                                                                                                                            | Impact of Proposal                                                                                                                                                                                                                                                                                                                                                                                               | 2024/25 | 2025/26 | Full Year Impact | Estimated Staffing Impact |
|---------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------|---------|------------------|---------------------------|
|         |                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                                                                                                                                                                                                                                                                                                                                                                  | £'000   | £'000   | £'000            | FTE                       |
| HQ-25-E | <p><b>HQ</b> - Generate greater income through:</p> <ol style="list-style-type: none"> <li>1. Expansion of service provided to individuals who pay privately for TEC services.</li> <li>2. A review of the fees for brokering care and administering payments for clients who fully fund their own care.</li> <li>3. Continuation and expansion of sold services within Learning and Development to other organisations.</li> </ol> | Residents that self-fund their care could see an increase in the cost to them of having the Council administer their care services for them. Any increase would be considered alongside relevant legislation.                                                                                                                                                                                                    | 7       | 40      | 40               | 0                         |
| HQ-25-F | <p><b>HQ</b> - To consider, when assessing an individual's income, increasing the amount taken into account for care charges from 95% to 100% of an individual's assessable income, as permissible within the Care Act 2014 and outlined in section 8.38-8.48 of the statutory guidance.</p>                                                                                                                                        | Hampshire residents that are in receipt of non-residential care and do not fully fund their own care could see a change to the way their care charges are considered. If approved, individuals would continue to retain the minimum income guarantee set out nationally by the Department of Work and Pensions and would no longer retain the additional 5% discretionary amount that Hampshire currently apply. | 0       | 500     | 500              | 0                         |
| HQ-25-G | <p><b>HQ</b> - Ensure that commissioning and brokerage support for the procurement and ongoing management of services provided to the NHS is appropriately recompensed.</p>                                                                                                                                                                                                                                                         | Further consideration for joint commissioning and brokerage would mean greater efficiencies across the Hampshire System.                                                                                                                                                                                                                                                                                         | 100     | 100     | 100              | 0                         |

| Ref.    | Service Area and Description of Proposal                                                                                                                                                                                                            | Impact of Proposal                                                                                                                                                                                                                                                                                                                                                                                                                                | 2024/25 | 2025/26 | Full Year Impact | Estimated Staffing Impact |
|---------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------|---------|------------------|---------------------------|
|         |                                                                                                                                                                                                                                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                   | £'000   | £'000   | £'000            | FTE                       |
| HQ-25-H | <b>HQ</b> - Increase use of digital automation opportunities to make efficiencies across the Directorate.                                                                                                                                           | The savings proposals should have positive impacts on customer service through offering further digital options for interaction with the Directorate. Staffing impact is likely to be managed through natural turnover.                                                                                                                                                                                                                           | 0       | 50      | 50               | 1                         |
| HQ-25-I | <b>HQ</b> - Reduction of staffing resource across HQ Services and alignment of prevention activities and digital tools across Adult Social Care, Children's Services, Health and Public Health to create a more streamlined service for the public. | More collaborative working across all partners to ensure that early intervention and prevention is focused and duplication is reduced across Health and Social Care services. Staffing impact is likely to be managed through natural turnover.                                                                                                                                                                                                   | 160     | 410     | 410              | 5                         |
| OA-25-A | <b>Older Adults</b> - A review of core staffing levels in the Reablement services.                                                                                                                                                                  | A workforce and structure review of Reablement and Occupational Therapists that could lead to a streamlined operating model and the use of any vacant Reablement posts. This would have an impact on capacity to surge deliver wider Reablement services - but priority services to vulnerable users would be maintained and prioritised in order to return them to independence. Effort would be made to manage staffing impacts through natural | 470     | 976     | 976              | 25                        |

| Ref.    | Service Area and Description of Proposal                                                                                                                                                                                                                                                                                                                                    | Impact of Proposal                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | 2024/25<br>£'000 | 2025/26<br>£'000 | Full Year Impact<br>£'000 | Estimated Staffing Impact<br>FTE |
|---------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------|------------------|---------------------------|----------------------------------|
|         |                                                                                                                                                                                                                                                                                                                                                                             | turnover – however, this may not be possible in every case.                                                                                                                                                                                                                                                                                                                                                                                                                                              |                  |                  |                           |                                  |
| OA-25-E | <b>Older Adults</b> - Apply new and extend current approaches to how we support Older Adults with care needs of any type, including:<br>- approaches that enable alternatives to paid for care to be more accessible<br>- review use of capacity within the entire market for care packages, including HCC Care<br>- review length of stay in high cost home care packages. | Reassessing individuals with care packages (and working closely with older individuals that are in the stages prior to being in receipt of supported care) with a view to extending strengths based outcomes. For example making better use of care technology, family, friends, community and personal resources as an alternative to formal care and support. Encouraging providers to develop the skills of individuals with greater focus upon short term support that enables greater independence. | 2,070            | 13,100           | 13,100                    | 0                                |
| YA-25-A | <b>Younger Adults</b> - Review support provided to people in employment for people with learning disabilities.                                                                                                                                                                                                                                                              | A review of how to deliver supported employment to people with a learning disability, exploring alternative support for people with an eligible need. This could result in changes to support, or a removal of support, for some individuals.                                                                                                                                                                                                                                                            | 220              | 220              | 220                       | 0                                |
| YA-25-B | <b>Younger Adults</b> - Review workforce requirements in Younger Adults                                                                                                                                                                                                                                                                                                     | A workforce review would lead to a reduction of between six and ten full time equivalent staff posts depending upon their grades. The exact posts and Younger Adults teams potentially affected would not be known until significant further work is undertaken, however it would be designed to have minimal impact upon capacity. Effort would be made to manage staffing impacts through natural turnover – however, this may not be possible in every case.                                          | 150              | 300              | 300                       | 8                                |

| Ref.    | Service Area and Description of Proposal                                                                                | Impact of Proposal                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | 2024/25 | 2025/26 | Full Year Impact | Estimated Staffing Impact |
|---------|-------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------|---------|------------------|---------------------------|
|         |                                                                                                                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | £'000   | £'000   | £'000            | FTE                       |
| YA-25-C | <b>Younger Adults</b> - Review mental health section 117 responsibilities.                                              | Some people who have been in hospital subject to the Mental Health Act are entitled to what is known as Section 117 aftercare services, which include healthcare, social care and supported accommodation. This review proposes working more closely with the NHS to fund and support these people.                                                                                                                                                                                                                                                                                                                                                                                                                                                           | 50      | 500     | 500              | 0                         |
| YA-25-D | <b>Younger Adults</b> - Further extension of Strengths Based Approach in Young Adults.                                  | Reassessing people's care packages with a view to strengths-based outcomes. The aim would be to deliver and maintain similar outcomes for young adults where possible but through a more cost-effective method. This approach would be applied to all reviews, regardless of whether someone is in receipt of services provided by or commissioned by the County Council or in receipt of a direct payment. The review would include exploration of the potential for: <ul style="list-style-type: none"> <li>- a greater emphasis on community support (without a cost to the County Council);</li> <li>- support to develop self-sustaining networks;</li> <li>- time limited support to develop skills,</li> <li>- increased use of technology.</li> </ul> | 350     | 1,750   | 3,500            | 0                         |
| YA-25-E | <b>Younger Adults</b> - Extension of HCC Care to provide more long term services for people with learning disabilities. | This proposed series of developments would aim to create new HCC Care services for young adults as an alternative to independent sector provision. HCC Care has a track record of providing good quality services for young adults.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | 125     | 500     | 500              | 0                         |

| Ref.    | Service Area and Description of Proposal                                                                                                                                    | Impact of Proposal                                                                                                                                                                                                                                                                                                                                                                                                                                      | 2024/25 | 2025/26 | Full Year Impact | Estimated Staffing Impact |
|---------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------|---------|------------------|---------------------------|
|         |                                                                                                                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                         | £'000   | £'000   | £'000            | FTE                       |
| YA-25-F | <b>Younger Adults</b> - Support a further review and increase in the use of supported living models for young adults and a further decrease in the use of residential care. | Creating more supported living opportunities for young adults and reducing the use of residential care. This would enable greater levels of independence and tenancy rights for individuals.                                                                                                                                                                                                                                                            | 350     | 1,750   | 3,500            | 0                         |
| YA-25-G | <b>Younger Adults</b> - Review of Transition strategies for Mental Health and Learning Disabilities.                                                                        | This proposal would focus on young adults in transition from Children's Services, Special Educational Needs teams, Care Leavers and other children approaching adulthood. This would include exploring: <ul style="list-style-type: none"> <li>- the application of least restrictive approaches;</li> <li>- the application of strengths-based approaches;</li> <li>- alternative models of care;</li> <li>- alternative service providers.</li> </ul> | 570     | 750     | 1,500            | 0                         |
| YA-25-H | <b>Younger Adults</b> - Increase the use of volunteers to support Young Adults.                                                                                             | The use of volunteers to support individuals as an alternative to formal care and support for those people who do not require personal care. Volunteers, who would go through a thorough vetting process, would be matched with people based on their interests and preferences.                                                                                                                                                                        | 150     | 750     | 1,500            | 0                         |
| YA-25-I | <b>Younger Adults</b> - Review use of the wellbeing centres and explore alternative funding.                                                                                | A review of the funding arrangements for mental health wellbeing centres, which serve around 14,000 people across Hampshire. Services include support for people with anxiety, depression and other mental health problems. Most services are time limited and include group sessions and                                                                                                                                                               | 350     | 700     | 700              | 0                         |



| Ref.    | Service Area and Description of Proposal                                                                                                                                                                                 | Impact of Proposal                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | 2024/25<br>£'000 | 2025/26<br>£'000 | Full Year Impact<br>£'000 | Estimated Staffing Impact<br>FTE |
|---------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------|------------------|---------------------------|----------------------------------|
|         |                                                                                                                                                                                                                          | peer support. The majority of funding for these services comes from the NHS and Public Health. Funding from the NHS has increased in recent years due to investment from NHS England in the Community Mental Health Transformation programme.                                                                                                                                                                                                                                                                                                                                                                                                                                                |                  |                  |                           |                                  |
| YA-25-K | <b>Younger Adults</b> - Application of strengths based approaches across Young Adults. For example, maximising the use of technology, universal services and communities as an alternative to paid for care and support. | Reassessing people's care packages with a view to strengths-based outcomes. The aim would be to deliver and maintain similar outcomes for young adults where possible but through a more cost-effective method. This approach would be applied to all reviews, regardless of whether someone is in receipt of services provided by or commissioned by the County Council or in receipt of a direct payment. The review would include exploration of the potential for:<br>- a greater emphasis on community support (without a cost to the County Council);<br>- support to develop self-sustaining networks;<br>- time limited support to develop skills,<br>- increased use of technology. | 1,150            | 4,250            | 8,500                     | 0                                |
| YA-25-L | <b>Younger Adults</b> - Review the use of technology in residential care and supported living with particular focus on night support.                                                                                    | Increasing the use of technology to support the provision of care in residential care and supported living services with a particular focus upon support for people during the night.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | 0                | 750              | 1,500                     | 0                                |
| YA-25-M | <b>Younger Adults</b> - Review the provision of transport and consider                                                                                                                                                   | A review of the use of transport for young adults. Potential options could include greater use of personal resources, use of                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | 750              | 750              | 1,500                     | 0                                |

| Ref.                                 | Service Area and Description of Proposal                                         | Impact of Proposal                                                                                                                                                          | 2024/25<br>£'000 | 2025/26<br>£'000 | Full Year Impact<br>£'000 | Estimated Staffing Impact<br>FTE |
|--------------------------------------|----------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------|------------------|---------------------------|----------------------------------|
|                                      | alternative efficient methods of delivery.                                       | Direct Payments, use of public transport services or using social care services in closer proximity to the person's home address.                                           |                  |                  |                           |                                  |
| YA-25-N                              | <b>Younger Adults</b> - Review and manage the provision of high cost placements. | This proposal would focus on young adults with complex needs who live in high-cost placements, ensuring that strengths-based and least restrictive approaches are employed. | 500              | 2,500            | 5,000                     | 0                                |
| <b>Total Adults' Health and Care</b> |                                                                                  |                                                                                                                                                                             | <b>7,683</b>     | <b>34,650</b>    | <b>47,900</b>             | <b>42</b>                        |

## **EIAs**

Equality Impact Assessments (EIAs) for the Adults' Health and Care Savings Programme to 2025 proposals are provided in the accompanying Appendix 2 attachment to this report.

***'Making the most of your money'* public consultation feedback**

1. The County Council undertook an open public consultation *'Making the most of your money'* which ran for six weeks from 12 June to the 23 July 2023. The consultation was promoted to residents and stakeholders through a range of online and offline channels including, but not limited to: the County Council's website, social media channels, Hampshire Perspectives residents' forum and Your Hampshire e-newsletter; in County Council libraries and buildings, at bus stops, and on electronic noticeboards, in countryside parks and Hampshire County Council care settings; via media releases to the local TV, radio and written press; via targeted social media advertising; via direct email contact, and the Leader's Stakeholder (email) newsletter – between which cover a wide range of individuals, groups and organisations across Hampshire (such as Hampshire MPs, district and parish councils, businesses and the education sector, voluntary and community sector groups and organisations, and service providers), which promoted onward dissemination, as well as response. Information Packs and Response Forms were available on-line and in hard copy as standard and Easy Read, with other formats available on request, and a short animation was produced to help people understand the financial context. Comments could also be submitted via email or by letter, and comments on County Council corporate social media posts were also taken into account.
2. The consultation sought residents' and stakeholders' views on a range of proposals that could contribute towards meeting the expected revenue budget shortfall by 2025, as well as the potential impact on residents of the proposals being considered, and any suggestions not yet considered by the County Council. The consultation explained that due to the considerable size of the estimated budget gap by 2025 of £132m, it was likely a combination of the potential options being considered would be needed, given the limited ability the County Council has to generate income and the need to continue to deliver statutory service obligations. For example, the Information Pack illustrated the amount of savings that would still be required even if council tax was increased by up to 10%.
3. The options were:
  - Lobbying central government for legislative change;
  - Using the County Council's reserves;
  - Generating additional income;
  - Introducing and increasing charges for some services;
  - Reducing and changing services;
  - Increasing council tax; and
  - Changing local government arrangements in Hampshire.

4. Information on each of the above approaches was provided in an Information Pack. This set out the limitations for the County Council of each option, if taken in isolation, to achieving required savings. For example, supporting information explained that the £132m estimated budget shortfall took into account an assumed increase council tax of 4.99%, of which 2% must be spent on adult social care services. The Pack also explained that if central government were to support changing local government arrangements in Hampshire, savings would still take several years to be realised. Residents were similarly made aware that the use of the County Council's reserves (which are retained for service investment and to help manage financial risk) would not provide a sustainable solution to address ongoing financial pressures. The Pack further explained that if these were used to meet service delivery these would be used up very quickly, and so only temporarily delaying the point at which other savings would need to be found.
5. Therefore, whilst each option offers a valid way of contributing in-part to meeting the budget shortfall, addressing the estimated £132m gap would inevitably require a combination of approaches.
6. A total of 2,935 responses were received to the consultation – 2,806 via the provided Response Forms and 129 as unstructured responses through email, letter and social media.
7. The key findings from consultation feedback are as follows:
  - Agreement that the County Council should carry on with its **financial strategy** now stands at 60%, compared with 45% in 2021, 52% in 2019, and 65% in 2017. This involves targeting resources on the most vulnerable people; planning ahead to secure savings early and enable investment in more efficient ways of working; and the careful use of reserves to temporarily help address funding gaps and plug additional demand pressures (e.g. for social care).
  - The data suggests that respondents are concerned about the implications of further service changes and charges and increasingly feel that the solution lies with **central government**.
  - Both data and verbatim comments indicate the respondents want the County Council to continue to **lobby central government** for a longer-term funding solution for local government, and to allow additional charging in a number of areas:
    - 90% agreed with lobbying for additional funding to deliver social care services for adults and children.
    - 83% agreed profit margins for providers of children's homes should be capped.
    - 81% agreed the underlying funding model for county councils should change.

- 81% agreed that there should be national consistency in the approach to residential placement fees for children’s social care.
  - 79% agreed that there should be an increase in central government funding for highway maintenance and major road and structural repairs.
  - 78% agreed that there should be national rules on engagement of agency resource to support children’s social work.
  - 75% agreed to enable local circumstances to be taken into account when determining adult social care provision.
  - 68% agreed to allow a move to locally devised policies and means testing for Home to School Transport.
  - 66% agreed that a review should be undertaken of the range of statutory functions that must be carried by qualified social workers.
  - 59% agreed to allow for a deferred payment option for adults’ domiciliary (home) care provision.
  - 55% agreed that a small charge should be applied to concessionary travel.
  - 52% agreed that a fee should be charged for issuing an Older Person’s Bus Pass.
  - 48% agreed that there should be greater council tax setting freedoms (29% disagreed, with the remainder neither agreeing nor disagreeing).
- However, there were exceptions, namely that:
    - Most respondents (68%) did not agree that a nominal fee should be charged for using household waste recycling centres.
  - The majority of respondents agreed that the County Council should explore:
    - Changing services to support achievement of savings (69% of respondents).
    - The possibility of changing local government arrangements for Hampshire (62% of respondents).
    - Increasing existing charges for services (54% of respondents).
  - The majority of respondents disagreed with the proposal to reduce services (63% disagreed vs 23% who agreed).
  - Opinion was divided on the use of reserves and the introduction of new service charges:
    - 45% agreed that reserves should not be used, vs 42% who disagreed.
    - 47% agreed that new service charges for currently free services should be introduced, vs 42% who disagreed.
  - 46% of respondents’ first preference was for the County Council to raise Council Tax by less than 4.99%. This compared to 38% of respondents

whose first choice was to raise council tax by 4.99% and 18% who would choose an increase of more than 4.99%.

- Suggestions were made by respondents for generating additional income, including making money from unused buildings and land, introduction of charges to service users, selling services to other organisations, and parking charges. Other suggested alternatives to the budget options presented included improving council efficiency, reducing expenditure, and prioritising spending where it was most needed.
- Just under half of respondents (48%) specified impacts that they felt would arise should the County Council continue with its financial strategy and approve the proposed options. Almost half of these related to financial impacts on household budgets, both due to potential increases in Council Tax (25%) and rising service charges (11%), alongside the broader financial impacts or rises in the cost of living (12%) and other ongoing day-to-day costs (2%).
- More generally, 36% of respondents considered that the proposals would impact on the level of service provided, with particular mention made to service reduction, worsening road conditions, and rising service demand. Social impacts, including poorer mental wellbeing and physical health, as well as a reduced quality of life were also referenced by 19% of respondents.
- Just under half of respondents felt that impacts could arise for the protected equalities characteristic of age (49%), with further impacts on poverty (35%), disability (34%), and rurality (25%) also commonly mentioned. The potential environmental impacts were also noted in around a third of the comments submitted (31%).

The 129 unstructured responses to the consultation, submitted via letter / email or on social media, primarily focussed on the perceived impacts of the proposals, stating concern about reductions to services and potential impacts on vulnerable groups, and the financial impact on other organisations, but recognising the budgetary pressures and the need to reduce some services. A smaller number of respondents noted that services were underfunded, and the need to lobby central government for additional funding.